



**BILLING CODE: 3410-30-P**

## **DEPARTMENT OF AGRICULTURE**

### **Food and Nutrition Service**

#### **Request for Information: Supplemental Nutrition Assistance Program (SNAP)**

#### **Quality Control Integrity and Modernization**

**AGENCY:** Food and Nutrition Service (FNS), USDA.

**ACTION:** Notice.

**SUMMARY:** In order to accurately estimate improper payments in the Supplemental Nutrition Assistance Program (SNAP), the Food and Nutrition Service (FNS) has undertaken significant steps to strengthen its measurement process, the SNAP Quality Control system. Improvements include new training, policy clarifications, procedural improvements, and clarification of existing documentation requirements necessary to substantiate case findings. FNS has also implemented new policies to improve accountability and eliminate the potential for bias in the reporting system. FNS is considering proposals for a regulatory reform of its SNAP's Quality Control system in order to align the regulations with new policy and procedural requirements. FNS's intent is to achieve three objectives from reforming the Quality Control system: (1) strengthen the integrity and accountability of the Quality Control system, (2) increase transparency in the process, and (3) use technology to improve improper payment estimates. Thus, FNS is issuing this Request for Information in order to obtain State government and other stakeholder perspectives as the Agency considers how to best to proceed with reforming the SNAP Quality Control system.

**DATES:** Written comments must be received on or before [INSERT DATE THAT IS 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Comments may be sent to Stephanie Proska, Chief, Quality Control Branch, Program Accountability and Administration Division, Food and Nutrition Service (FNS), U.S. Department of Agriculture, 3101 Park Center Drive, Room 822, Alexandria, VA 22302. Comments may also be emailed to [SNAPHQ-WEB@fns.usda.gov](mailto:SNAPHQ-WEB@fns.usda.gov). Comments will also be accepted through the Federal eRulemaking Portal. Go to <http://www.regulations.gov> and follow the online instructions for submitting comments electronically.

All comments submitted in response to this notice will be included in the record and will be made available to the public at [www.regulations.gov](http://www.regulations.gov). Please be advised that the substance of the comments and the identity of the individuals or entities commenting will be subject to public disclosure.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of this request for information should be directed to Stephanie Proska at (703)305-2437.

**SUPPLEMENTARY INFORMATION:** The purpose of SNAP's Quality Control system is to measure improper payments consistent with Federal law. In addition to QC requirements in the Food and Nutrition Act of 2008, as amended, SNAP must comply with requirements in The Improper Payments Information Act of 2002 (IPIA), as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA). This legislation requires federal agencies to estimate the annual amount of improper payments. Federal law further directs the Office of Management and Budget (OMB) to

establish guidance requiring federal agencies to classify errors. OMB defines error types as: documentation and administrative errors – errors caused by the absence of supporting documentation necessary to verify the accuracy of a payment; authentication– errors caused by an inability to authenticate eligibility criteria through third-party databases or other resources because no databases or other resources exist; and verification errors – errors caused by the failure or inability to verify recipient information.

All suggestions received in response to this notice shall be considered in the development of proposed rulemaking, particularly those that articulate how the reform will improve adherence to Federal laws and OMB guidance, as well as contribute to improved accuracy and reduction of bias in the case review or measurement process.

With these general interests in mind, FNS is seeking information from stakeholders on the following particular questions:

1. What regulatory changes should FNS consider to further enhance the integrity of the quality control system necessary to ensure the accuracy of improper payment estimates?
2. In January 2016, FNS published a study evaluating how to enhance SNAP Quality Control completion rates. The study made a number of recommendations regarding how to improve case completion rates. What benefits, implementation challenges, or administrative factors, including cost implications, should FNS consider when evaluating the following recommendations:
  - a. Require more contact attempts to reach clients?
  - b. Require a greater variety of contact methods to be used?
  - c. Revise procedures for scheduling and conducting interviews?

- d. Require client education of the QC process and a client's responsibility to cooperate with QC reviews at the point of application and recertification in order to raise awareness for recipients?
3. SNAP currently requires field QC investigations to include a personal interview, almost exclusively performed in person. SNAP allows for a State option to conduct phone interviews for QC cases where households receive \$100 or less in monthly benefits. SNAP also allows for a State option to conduct video conferences in lieu of an in person interview. What factors should FNS consider and what are the cost implications of allowing for an expanded use of telephone or video interviews in lieu of in-person interviews? What measures should a SNAP State agency take to ensure the accuracy of the case and thoroughness of verifications if telephone interviews were allowed for all QC case reviews?
4. What electronic databases do State quality control reviewers currently have access to in order to verify information? Do you recommend FNS consider expanding Federal and State reviewer access to electronic databases and, if so, what factors or challenges would you anticipate?
5. Should FNS consider revising staffing standards, per 7 CFR 275.2(b), to ensure there are a sufficient number of State quality control reviewers staffed in order to complete cases within prescribed time periods?
6. Federal regulations at 7 CFR 275.23(b)(iii) require FNS to adjust a State agency's regressed error rate for failing to complete 98 percent of its required sample size. FNS is considering a proposal to increase the adjustment as the current formula may not effectively deter mitigation strategies that encourage error prone cases to be dropped. What factors should FNS consider in adjusting a State agency's regressed error rate for incomplete cases?

7. In both OIG's review of SNAP's QC system and FNS' own QC integrity reviews it was found that one tactic used to minimize the reporting of errors was to drop cases that were subject to QC review. What policies or procedures should FNS consider to ensure that only cases that cannot be verified are dropped while also discouraging the over-use of dropping cases?
8. FNS uses a two-step process in order to determine a case's final payment error amount, referred to as Comparison I and Comparison II. In an audit, USDA's Office of Inspector General expressed concerns that the existing two-step process does not conform to regulatory requirements and that it does not accurately measure errors because Comparison II is not applied to all cases. This inconsistency raises concerns of underreporting payment errors. What recommendations should FNS consider in revising the use of Comparison I and Comparison II to reflect a more accurate account of a sampled case's payment error amount?
9. FNS is interested in recommendations that incentivize quality control reviewers to accurately report case results. Performance requirements that focus exclusively on timeliness of the case reviews without any qualitative measure may inadvertently lead to inaccurate case results. What factors should FNS consider in establishing qualitative metrics for quality control case reviews?
10. What concerns or barriers, if any, would exist if FNS were to mandate the use of the SNAP Quality Control System (SNAPQCS) as a means of reporting case results and documentation to FNS for all QC Worksheets? This is based on an assumption that a State would retain the option to maintain its own internal quality control system, provided that case results were reported to SNAPQCS.
11. Are there any data elements that FNS should consider collecting through the quality control system as part of the FNS form 380-1 in order to better understand SNAP case record

information and/or patterns over time or across States? This includes information that would further FNS's knowledge of potential bias in the payment error rates.

12. Are there additional recommendations FNS should consider to encourage a greater use of technology to enhance the accuracy of case reviews in QC?
13. FNS is interested in improving the transparency of the QC process. What factors should FNS consider if FNS were to require all State QC procedures be in writing and submitted to FNS as part of an annual state plan?
14. What factors should FNS consider in revising the current corrective action planning requirement as a result of payment errors, incomplete cases, or negative case actions?

To get a quick overview of the referenced Financial Reporting Requirements set by OMB, visit [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A136/a136\\_revised\\_2013.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A136/a136_revised_2013.pdf) and [http://comptroller.defense.gov/Portals/45/documents/micp\\_docs/Authoritative\\_Laws\\_and\\_Regulations/OMB\\_Circular\\_A-123\\_Appendix\\_C.pdf](http://comptroller.defense.gov/Portals/45/documents/micp_docs/Authoritative_Laws_and_Regulations/OMB_Circular_A-123_Appendix_C.pdf). For an overview of the SNAP QC Completion Rate study, visit <https://fns-prod.azureedge.net/sites/default/files/ops/SNAPQCCompletion.pdf> and for an overview of USDA's OIG audit of SNAP's Quality Control Process for SNAP Error Rates, visit <https://www.usda.gov/oig/webdocs/27601-0002-41.pdf>. FNS has verified the website addresses in this document, as of the date this document publishes in the Federal Register, but websites are subject to change over time.

Dated: May 24, 2018.

Brandon Lipps,  
Administrator,  
Food and Nutrition Service.

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